



**BANNARI AMMAN SPINNING MILLS LIMITED**  
**WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

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## WHISTLE BLOWER POLICY AND VIGIL MECHANISM

### 1. PREFACE

The purpose of this “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct, to provide Governance framework thereof as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI-LODR”) and Section 177 (9) of the Companies Act, 2013 mandates our company to have a vigil mechanism.

- 1.1 Bannari Amman Spinning Mills Limited (“BASML” or “the Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.2 The Company is committed to developing a culture where it is safe for any Whistle Blower to raise concerns about any risk, malpractice, poor or unacceptable practice and any event of misconduct or wrong doing.
- 1.3 Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) mandates all listed companies to establish a “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct and Section 177 (9) of the Companies Act, 2013 mandates our company a vigil mechanism.
- 1.4 Accordingly, a Whistle Blower Policy (“the Policy”) has been formulated with a view to assist employees who believe that they have discovered malpractice or impropriety and provide mechanism for such employees of the Company to approach the Chairman of Audit Committee of the Company.
- 1.5 The object of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects the Whistle Blower wishing to raise a concern about serious irregularities within the Company.
- 1.6 The Policy neither releases Whistle Blowers from their duty of confidentiality in the course of their work nor is to be misused to surface a grievance about a personal work-related situation.
- 1.7 The Policy will be posted on the Company’s website at [www.bannarimills.com](http://www.bannarimills.com)

## 2 APPLICABILITY

- 2.1 The Policy is applicable to all for directors and Employees of the Company and its subsidiary/ies, if any, and other persons dealing with the Company.
- 2.2 This Policy has been drawn up so that Whistle Blowers can make Protected Disclosure under the Policy. The Protected Disclosure may be areas of concern in respect of the Company covered by this Policy and summarized in paragraph 6.

## 3 DEFINITIONS

- 3.1 The definitions of some of the key terms used in this Policy are given below.
- 3.2 **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the Directions of Section 177 of the Companies Act 2013 or Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 **"Board" / "Board of Directors"** means board of directors of the Company.
- 3.4 **"Code of Conduct"** means code applicable to the Directors and senior management personnel adopted on 29th October 2005.
- 3.5 **"Disciplinary Action"** means any action that can be taken on the completion of / during the investigation proceedings, including but not limited to, a warning, recovery of financial losses incurred by the Company, any harrasment, suspension / dismissal from the services of the Company or any such action as is deemed to be fit considering the gravity of the matter.
- 3.6 **"Employee"** means every employee of the Company including the Directors in the employment of the Company or its subsidiaries.
- 3.7 **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Chairman of Audit Committee and includes the auditors of the Company, Police or such other persons/Agencies/Authority, etc., .
- 3.8 **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to the Company. Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion, and should contain as much specific information as possible for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- 3.9 **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 3.10 **"Whistle Blower"** means an Employee making a Protected Disclosure under this Policy.

## 4 SCOPE

- 4.1 This Policy is an extension of the Company's Code of Conduct for Directors and Senior Management Personnel. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 4.2 Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of Audit Committee or the Investigators.
- 4.3 Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

## 5 DISQUALIFICATIONS

- 5.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as set out here, any abuse of this protection will warrant disciplinary action.
- 5.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- 5.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

## 6 COVERAGE OF THE POLICY

- 6.1 The Policy covers malpractices and events which have taken place / suspected to take place involving:
  - a. Abuse of Authority
  - b. Breach of Code of Conduct or Employment Contract/Rules
  - c. Manipulation of Company data / records
  - d. Financial or compliance irregularities, including fraud or suspected fraud
  - e. Criminal Offence having repercussion on the Company or its reputation
  - f. Pilferation of confidential / proprietary information
  - g. Deliberate violation of law / regulation
  - h. Misappropriation or misuse of Company funds / Assets
  - i. Any other unethical, imprudent deed / behaviour

6.2 Policy should not be used as a route for raising malicious or unfounded allegations against colleagues.

## **7 PROTECTION**

- 7.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 7.2 A Whistle Blower may report any violation of the above Clause to the Chairman of Audit Committee, who shall investigate into the matter and recommend suitable action to the management.
- 7.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- 7.4 Any other **Employee** assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 7.5 Protection to Whistle Blower under this Policy shall be available provided that Protected Disclosure is made in good faith
- 7.6 that the Whistle Blower has reasonable information or documents in support of the matter; and not for personal gain or animosity against the Subject.

## **8 PROCEDURE FOR GETTING PROTECTED DISCLOSURES**

- 8.1 All Protected Disclosures concerning financial / accounting matters should be addressed to the Chairman of Audit Committee of the Company for investigation.
- 8.2 In respect of all other Protected Disclosures, those concerning the employees at the levels of General Manager and above should be addressed to the Chairman of Audit Committee of the Company and those concerning other employees should be addressed to the Company Secretary.
- 8.3 The contact details of the Chairman of the Audit Committee are as under:  
Mr S Palanisami, 43-A, Alamu Nagar, Sathy Road, Coimbatore 641 012. Mobile No:9443718596 or palasan2003@yahoo.co.in .

- 8.4 The contact details of Company Secretary are as under:  
N KRISHNARAJ, Company Secretary, Bannari Amman Spinning Mills Limited, 252, Mettupalayam Road, Coimbatore 641043. Ph: 422-2435555 Email id : krishnaraj@bannarimills.com
- 8.5 Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- 8.6 Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Tamil or in the regional language of the place of employment of the Whistle Blower.
- 8.7 The Protected Disclosure should be forwarded by e-mail or under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- 8.8 Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 8.9 For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity only in the covering letter forwarding such Protected Disclosure.

## **9 INVESTIGATION**

- 9.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of Audit Committee, assisted by Company Secretary of the Company, who will investigate / oversee the investigations.
- 9.2 The Chairman of Audit Committee, assisted by Company Secretary, may at his discretion, consider involving any Investigators for the purpose of investigation.
- 9.3 The decision to conduct an investigation taken by the Chairman of Audit Committee, assisted by Company Secretary, by itself, not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 9.4 The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 9.5 Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 9.6 Subjects shall have a duty to co-operate with the Chairman of Audit Committee, assisted by Company Secretary or any of the Investigators during investigation to

the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

- 9.7 Subjects have a right to consult with a person or persons of their choice, other than the Company Secretary / Investigators and/or members of the Audit Committee and / or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason from subject to reimburse such costs.
- 9.8 Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- 9.9 Unless there are compelling reasons not to do so, Subjects will be given an opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 9.10 Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 9.11 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **10 INVESTIGATORS**

- 10.1 Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Company Secretary / Audit Committee when acting within the course and scope of their investigation.
- 10.2 Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.
- 10.3 Investigations will be launched only after a preliminary review by the Chairman of Audit Committee or the Company Secretary, as the case may be, which establishes that:
  - 10.3.1 the alleged act constitutes an improper or unethical activity or conduct and
  - 10.3.2 the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the matter concerned is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

## **11 DECISION**

- 11.1 If an investigation leads the Chairman of Audit Committee, assisted by Company Secretary, to conclude that an improper or unethical act has been committed, the Chairman of Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

## **12 SECRECY/CONFIDENTIALITY**

- 12.1 The Whistle Blower, the Subject, the Senior Officer(s) and every one involved in the process shall:
- 12.1.1 maintain complete secrecy / confidentiality of the matter under this Policy
  - 12.1.2 not discuss the matters under this Policy in any informal / social gatherings/meetings
  - 12.1.3 discuss only to the extent or with the persons required for the purpose of completing the process and investigations as directed by Audit Committee
  - 12.1.4 not keep the papers unattended anywhere at any time
  - 12.1.5 keep the electronic mails / files under the pass word
- 12.2 If any one is found not complying with the above, he / she shall be liable for such Disciplinary Action as is considered by the Chairman of the Audit Committee.

## **13 REPORTING**

- 13.1 The Company Secretary shall submit a report to the Chairman of Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

## **14 RETENTION OF DOCUMENTS**

- 14.1 All Protected Disclosures in writing or documented along with the results of related investigation shall be retained by the Company for a minimum period of Eight years.

## **15 AMENDMENT**

- 15.1 The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason.
- 15.2 The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee, atleast once in three years and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about to the regulatory framework, from time to time.



15.3 This policy shall come into force from the date of adoption/amendment of this policy from time to time.

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Note : This Policy was adopted at the Board Meeting dt.14.8.2014 and reviewed and amended at the Board Meeting dt 30.5.2023

